

computed in accordance with the cost principles prescribed in subpart Q of 45 CFR part 74.

(b) *Exceptions.* (1) Equipment purchased under service agreements with other State agencies and under cost-type contracts shall be depreciated. However, equipment having a unit acquisition cost of \$25,000 or less may be claimed in the period acquired if (a) the State agency approved the specific purchase and the claiming of the cost of the item, and (b) the contract or service agreement requires that the equipment or its residual value be transferred to the State agency when the equipment is no longer needed to carry out the work under the contract or service agreement.

(2) Reimbursement for ADP equipment having an acquisition cost in excess of \$25,000 and subject to subpart F of this part must be depreciated over its useful life unless otherwise specifically provided for by the Department. ADP equipment not subject to subpart F is subject to the requirements of this subpart.

§95.707 Equipment management and disposition.

(a) An item of equipment is subject to the property rules in subpart O of 45 CFR part 74 if the total cost of the item was claimed in the period acquired and if the item was accepted for Federal financial participation as a direct cost under a single program or program activity. These rules also apply to ADP equipment where the State agency was permitted under Subpart F of this part to claim the total cost of the equipment in the period acquired.

(b) Other items of equipment whose costs are claimed for Federal financial participation (i.e., equipment that is capitalized and depreciated or is claimed in the period acquired and charged to more than one program) are not subject to the specific requirements in subpart O of 45 CFR part 74. However, the State agency is responsible for adequately managing the equipment, maintaining records on the equipment, and taking periodic physical inventories. Physical inventories may be made on the basis of statistical sampling. The following requirements

apply to the disposition of this equipment:

(1) If the cost of the equipment was claimed in the period acquired and the equipment is later sold, the proceeds of the sale shall be credited to current expenditures in approximate proportion to the distribution of the equipment's cost.

(2) If the cost of the equipment was claimed in the period acquired and the equipment is later transferred to an activity which is not involved in the performance of programs currently or previously funded by the Federal Government, an amount equal to the fair market value of the equipment on the date of the transfer shall be credited to current expenditures in approximate proportion to the distribution of the equipment's costs.

(3) If the cost of the equipment was claimed in the period acquired and the equipment is later traded in on other equipment claims for Federal financial participation in the costs of replacement equipment shall be limited to the additional outlay.

(4) If the equipment was depreciated, any gain or loss on the disposition of the equipment shall be treated as a decrease or an increase to the depreciation expense of the period in which the disposition takes place. This provision does not apply to equipment whose costs were claimed for Federal financial participation through use allowances.

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APPENDIX A TO PART 96—UNIFORM DEFINITIONS OF SERVICES

APPENDIX B TO PART 96—SSBG REPORTING FORM AND INSTRUCTIONS

AUTHORITY: 31 U.S.C. 1243 note, 7501–7507; 42 U.S.C. 300w *et seq.*, § 300x *et seq.*, § 300y *et seq.*

Department of Health and Human Services

§ 96.10

§ 701 *et seq.*, § 8621 *et seq.*, § 9901 *et seq.*, § 1397 *et seq.*, 5 U.S.C. § 301.

SOURCE: 47 FR 29486, July 6, 1982, unless otherwise noted.

Subpart A—Introduction

§ 96.1 Scope.

This part applies to the following block grant programs:

(a) Community services (Pub. L. 97-35, sections 671-683) (42 U.S.C. 9901-9912).

(b) Preventive health and health services (Pub. L. 97-35, section 901) (42 U.S.C. 300w-300w-8).

(c) Community mental health services (Public Health Service Act, sections 1911-1920 and sections 1941-1954) (42 U.S.C. 300x-1-300x-9 and 300x-51-300x-64).

(d) Substance abuse prevention and treatment (Public Health Service Act, sections 1921-1935 and sections 1941-1954) (42 U.S.C. 300x-21-300x-35 and 300x-51-300x-64).

(e) Maternal and child health services (Social Security Act, Title V) (42 U.S.C. 701-709).

(f) Social services, empowerment zones and enterprise communities (Pub. L. 97-35, sections 2351-55; Pub. L. 103-66, section 1371) (42 U.S.C. 1397-1397f).

(g) Low-income home energy assistance (Pub. L. 97-35, sections 2601-11) (42 U.S.C. 8621-8629).

[47 FR 29486, July 6, 1982, as amended at 58 FR 60128, Nov. 15, 1993; 64 FR 55856, Oct. 15, 1999]

§ 96.2 Definitions.

(a) *Secretary* means the Secretary of Health and Human Services or his designee.

(b) *Department* means the Department of Health and Human Services.

(c) *Reconciliation Act* means the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35).

(d) *State* includes the fifty States, the District of Columbia, and as appropriate with respect to each block grant, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and for purposes of the block grants administered by agencies of the Public

Health Service, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

[47 FR 29486, July 6, 1982, as amended at 52 FR 37965, Oct. 13, 1987; 64 FR 55856, Oct. 15, 1999]

§ 96.3 Information collection approval numbers.

Information collection requirements pertaining to the block grant programs have been approved by the Office of Management and Budget under the provisions of the Paperwork Reduction Act, Pub. L. 96-511 (44 U.S.C. Chapter 35) and have been assigned OMB numbers:

0930-0080 Alcohol and Drug Abuse and Mental Health Services Block Grant Reporting Requirements

0920-0106 Preventive Health and Health Services Block Grant Reporting Requirements

0915-0023 Primary Care Block Grant Reporting Requirements

0915-0024 Maternal and Child Health Services Block Grant Reporting Requirements

0980-0125 Social Services Block Grant Reporting Requirements

0980-0126 Community Services Block Grant Reporting Requirements

0960-0261 Low-Income Home Energy Assistance Block Grant Reporting Requirements.

[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982]

Subpart B—General Procedures

§ 96.10 Prerequisites to obtain block grant funds.

(a) Except where prescribed elsewhere in this rule or in authorizing legislation, no particular form is required for a State's application or the related submission required by the statute. For the maternal and child health block grant, the application shall be in the form specified by the Secretary, as provided by section 505(a) of the Social Security Act (42 U.S.C. 705(a)).

(b) The certifications required by the community services, primary care, preventive health and health services, alcohol and drug abuse and mental health services, and low-income home energy assistance block grant statutes to be made by the State's chief executive officer must be made by that individual personally, or by an individual